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USW Cites Congressional Effort Asking Obama Administration to Address Chinese Subsidies of Paper Industry Threatening U.S. Jobs

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WASHINGTON, July 28 -- /PRNewswire-USNewswire/ -- The United Steelworkers (USW) joins Appleton Coated LLC, NewPage Corporation, and Sappi Fine Paper North America in applauding the efforts of more than 100 Members of Congress who wrote to President Obama today, asking for action on Chinese subsidies to that nation's paper producers.

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The letter to the U.S. President urges he "carefully examine the practices employed by the Chinese government to provide its paper industry an artificial and unfair advantage in the U.S. market, and determine the extent to which these practices cause or threaten to cause harm to American producers." The letter was spurred by the devastating impact that Chinese unfairly-priced paper exports are having on the industry all across the country.

USW President Leo W. Gerard said: "We commend the action taken by this bipartisan group of U.S. Senators and Congressional members demanding that China obey international trade laws. Too many jobs and too many companies are being destroyed because of how China subsidizes production and violates free trade principles in paper manufacturing as well as in other industries."

The letter points to a study recently released by the Economic Policy Institute (EPI) which highlighted the continuing efforts of the Chinese government to promote the development of its paper producers at almost any expense. The academic study, authored by Dr. Usha Haley, identified roughly \$33 billion in subsidies provided to China's paper producers in a variety of forms that have stimulated enormous capacity increases and jeopardized production and jobs in the U.S.

Jon Geenen, USW International Vice President at Large and Chair of the union's paper industry bargaining, observed that the congressional signatories come from thirty-one states representing more than half of the country where paper manufacturing is a critical industry and employer. He adds, "Our industry has experienced capacity reductions resulting in the loss of jobs in communities all across the country. The petitions show that unfairly traded imports from China and Indonesia are a significant contributor to mill closures and resultant job losses."

The companies and the United Steelworkers filed unfair trade cases on September 23, 2009 with the U.S. Department of Commerce (DOC) and the U.S. International Trade Commission

(ITC) alleging that certain coated paper from China and Indonesia had been dumped and subsidized, resulting in injury to the domestic industry and its employees.

The three companies employ about 6,000 production workers represented by the USW at 20 paper mills operating in seven states. The USW represents a total of 130,000 workers employed in the North American paper industry.

A copy of the signed congressional letter is available here. The EPI report – *'No Paper Tiger; China Subsidies 2002-09'* -- can be accessed here.

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SOURCE United Steelworkers (USW)